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MEMORANDUM

NATIONAL SECURITY COUNCIL

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July 26, 1972

MEMORANDUM FOR DR. KISSINGER

FROM:

Phil Odeh

SUBJECT:

Assessment of the Effects of the  
Air War on North Vietnam

This memo reviews (1) what has been done to assess the effects of the air campaign in the North, (2) the problems with the assessments, (3) the initial conclusions we draw from the studies, and (4) what needs to be done to get a more adequate intelligence picture to help you and the President address the policy issues. The memo is based on CIA reports (most recent at Tab A), DIA assessments (most recent at Tab B) and periodic reports sent to the President by Secretary Laird (most recent at Tab C) as well as on discussions with CIA and DIA analysts.

What Has Been Done

Both CIA and DIA provide a good summary of the physical damage:

- virtually no sea imports,
- 70% of the electric power generation capacity out,
- most rail lines cut,
- several modern industries such as cement closed down,
- POL supplies reduced to about six weeks "normal" consumption.

In addition CIA has prepared the special study assessing the effects of reducing imports from the 2.5 million tons in 1971 to an annual rate of one million tons (an average of 2700 tons a day). This reduced import level would be approximately the level of the mid-1960s. The CIA study is not an assessment of what Hanoi will in fact import but is a first effort to estimate the minimum essential annual import requirement.

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CIA concludes that this level of imports would permit NVN to continue the main force war with periodic highs (the level of June not April) and at the same time maintain domestic order in the North. But this is an annual level and does not mean the North would face disastrous problems if imports fall below 2700 tons a day for a few months.

### Problems with the Assessments

The studies are seriously deficient in laying out where, to what extent and when the bombing and mining will disrupt the North. Some of the particular problems with the approach taken in the analysis are:

-- Timing. Thus far we have assessments only of what the physical situation is now and what it will be over a full year. We need a more refined analysis of where the North will be hurt when. What will be the principal problems in August, in October, in January? How will these change? Where will the North be able to take compensating actions to ameliorate problems over time? Where do problems get greater as time goes on?

-- Economic Analysis. The economic studies are too aggregative; they do not examine the problems in particular sectors. For example, fertilizer imports have been greatly expanded in the past few years because of the use of new types of rice. Yet fertilizer is not included in CIA's minimal essential import level. How and when will lack of fertilizer reduce food production? Will farmers have to switch back from new to traditional rice? What other agricultural inputs are critical? Nor is there an examination of the implications of the reduction in power supply. Will agricultural pumping be curtailed causing flooding or limiting irrigation (DIA informally says no, but we would like to see the analysis). How much does the power shortage curtail industry making bombing superfluous?

-- Feel for the Situation. The details have not been provided to give the reader a comprehensive feel for the situation. For example, the studies do not indicate how urban sectors are affected in comparison with rural areas. The CIA study says the fish catch will be reduced by 25 percent. But it does not point out that this is the catch of the bigger sea-going boats that supply Hanoi and Haiphong and thus the remaining urban population will have little fresh fish and will have to do without this most important protein source or imported dried fish will have to be arranged.

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-- Import Denial and Destruction. The studies do not differentiate clearly between the effects of import denial and of bomb destruction and disruption.

There are also major substantive shortcomings in the work which has been done:

-- Stocks. An assessment of the North's stock position is obviously critical for short-term projections, yet we know very little about this. The raw intelligence on stocks is limited, but some analysis should be possible by looking at recent import information and the cargos known to be available from the 26 ships remaining in the harbors.

-- Current Imports. How much and what is coming across the Chinese border is obviously critical to any assessment, but we do not yet have a systematic assessment of volume or composition. (Some CIA analysts believe as much as 4000 tons a day is being imported in July on the basis of freight car arrivals at the Chinese border.)

-- Import Levels Below the Essential Minimum. Neither CIA nor DIA has told us what happens if imports drop below the estimated minimal levels. Nor have they discussed the nature and extent of problems that would be caused by particular shortages. For example, how would a serious POL shortage affect the economy?

-- Manpower. There is no comprehensive analysis of the manpower situation although the repair of bomb damage, movement by road instead of rail, dispersal of operations, etc. will require major additional manpower on top of the heavy draft calls of recent years. Informally the analysts have told us they do not believe the manpower restraint will be critical because of the large numbers of people still engaged in agriculture. But this overlooks problems caused by shortages of management personnel or manpower shortages in some geographic areas. Moreover, more not less manpower may be needed to increase agricultural production to offset reduced imports. There is evidence of at least some manpower shortages even before the bombing. Why else was the dike repair not completed? Why the stringent manpower decree just issued?

-- Battlefield Support. The studies do not analyze in detail what items the economy of the North supplies to the battlefield other than to

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say not much. Will the bombing reduce the supply of uniforms and other personnel equipment? Medicines? How about truck and tank repair? We have hit a number of these facilities.

-- Effects on Leadership. Because there is not a comprehensive picture of the many problems for the North, there is no assessment of how the leadership may view these problems. A comparison of effects of the current campaign with the 1965-68 campaign, a key element for judgement on the degree of pressure on the leadership has not been done. The use of smart bombs which has allowed us to inflict damage much more quickly must affect the leadership's assessment of the situation and the future. What kinds of decisions must the leadership face, and when? What trade-offs must they make?

### Our Initial Assessment

Making allowance for the many problems with the analysis noted above, my assessment of the current situation follows. It focuses on the impact today, since I believe more work must be done before I will have much confidence in assessment of the situation in September-October or early next year.

Level of Effort. The level of our air effort is well below that of the late 1960's. About 6000 attack sorties a month were flown during May and June, about half the level during 1967 and 1968. However, because of the use of smart bombs, we have inflicted heavy damage rapidly - at a pace probably three times that of the earlier period. We have had more B-52 sorties in the North, but with a few exceptions these have been concentrated against staging areas just north of the DMZ.

Impact. It is too soon for the impact of import denial to be widely felt.

-- Current Military Situation in the South. Most of the supplies for the current offensive were prepositioned, with the possible exception of northern MR-1. Even here supplies were probably just north of the DMZ. We know from captured documents that the target military supply level for stocks both in the north and forward areas is 21 months. It is doubtful that stocks of many items were close to this level, especially at recent consumption rates. But there is no evidence that import denial for a few months has created shortages of military supplies. (Our bombing in the battlefield and supply areas just north of the DMZ, however, appears to be causing serious distribution problems on the battlefields for various items including rice.)

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-- Future Military Situation. The lack of data on stocks makes it very hard to forecast the impact of the campaign on NVA/VC actions in the south. But, there seems little doubt that if the blockade and bombing continue for some months, a major NVA effort next dry season is out of the question. In part it will be the direct effect of limits on the import of new weapons, ammo and supplies. But the impact on the North's planning will also be a factor. A major offensive will take considerable advance planning and preparation - actions that must start soon. Given the uncertainty about the supply situation, planning a major effort seems improbable. But we can expect continued military pressure, more on the scale of the protracted war with high points experienced from 1969 through 1971.

-- Civilian Supplies. Again it is too early to see major supply shortages. The cargos on the ships in harbor are about all that would have been unloaded in May and early June anyway. Any country depending on as long a supplyline as Vietnam must maintain substantial stocks. Moreover, we do not know how much has been coming in by road from China. CIA analysts "guess" about 4000 tons per day and DIA does not dispute this. The area most likely to be critical is POL where stocks are estimated to be down to about six weeks. But the pipeline appears to be working, and stocks of some types of POL may now have leveled off or are rising. Supplies of some civilian items will become short during the next couple of months. The regime will shortly have to cut the food ration and limit consumption of other consumer goods in some way, unless it is prepared to exhaust all stocks or overland supply increases sharply.

Manpower. There are increasing indications of a manpower shortage. Dispersal of population and some production has made efficient use of manpower more difficult. Great effort is being given to maximizing agricultural production which is labor intensive. At the same time additional labor is required to repair damage to the LOCs and to operate the dispersed transportation system. The continued heavy draft has reduced the number of able-bodied men available (large numbers of older (25-30) men and university students were drafted during the past nine months). The recent manpower decree indicates serious concern about the manpower situation.

The Economy. The effect on the economy is uneven.

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-- Agriculture has thus far hardly been affected. It depends on few inputs. It is not mechanized. Fertilizer shortages will not affect the current crop but may have a substantial effect on harvests in 1973. Principal concerns are to increase production to substitute for imports, and to repair and strengthen the dike system. We have done very little damage to the dikes and there is little that can be done quickly to increase agricultural production.

-- Modern Industry has been virtually halted by reduction in power and the physical damage to the relatively few major plants. Physical damage will take months to repair even if needed parts were imported promptly. Because of the loss of production in this sector, GNP is down 15 to 20 percent. The industrial expansion program to which Hanoi has given high priority since 1968 is virtually halted (many foreign technicians have already departed).

-- Power production has been greatly reduced. Power is rationed and a number of industries dependent on electricity have stopped operating.

-- Transportation. A greatly increased effort is needed to move a smaller volume of goods. Frictional losses have been increased substantially. Road transportation is less efficient and more manpower intensive than water and rail. Disruption has undoubtedly forced the regime to allocate a large portion of its management talent to overcoming transportation problems.

-- Government Administration. We have little hard information on the extent of disruption in government. Some schools appear to have been closed. The lessons learned in Rolling Thunder have probably helped the government adjust fairly rapidly to the new situation. However, we have seen numerous reports of dissatisfaction in the population with required evacuation of cities. Certainly the party apparatus is strained to overcome the many new management problems while at the same time assuring population control.

### Policy Questions

The utility of better assessments is not only to improve your understanding of the situation but also to provide the basis for considering policy questions, such as:

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-- How and where can we intensify the pressure?

-- Are we getting the maximum effect from each sortie?

-- Should we concentrate on interdicting the roads from China and the pipeline? On truck maintenance facilities? On some other element?

I am not familiar with our bombing strategy nor with how it is coordinated among the JCS, Navy, MACV, CINCPAC and 7th Air Force. The intelligence does not indicate a single focus on a critical target system. Perhaps we should be asking if there is a greater payoff by concentrating on the LOCs, on disrupting the economy, on the government (communications, administrative offices), or on military facilities such as training bases?

CIA concluded years ago that there is no target system whose destruction would cripple the North. They may be right. But only a small amount of resources is necessary to analyze this again considering technology advances. If the conclusion is that half or two-thirds of our air effort is having only a marginal effect on the North, you and the President should know this.

#### How to Proceed

There are a number of ways we can proceed to tap the resources of the intelligence community to get answers to the questions raised above and to give you a better picture of what our mining and bombing are accomplishing.

-- We could give CIA a careful list of questions and have them rework and improve their studies.

-- We could ask an existing intelligence community group (e.g., the USIB) to prepare an assessment based on our questions and guidance.

-- We could establish a working group under the WSAG (or VSSG) including representatives of all the intelligence agencies (CIA, DIA, NSA) and probably JCS to pull together the best possible assessment under our direction (identifying differences in assessments among agencies).

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In my view, the third alternative is most likely to provide assessments that are responsive to your interests. NSC leadership will force the various agencies to confront each other and justify their conclusions and methods without making us overdependent on any single agency, all of which seem to have one bone or another to pick. It will, of course, take considerable time of my staff and NSC involvement won't be universally appreciated.

RECOMMENDATION

I recommend that you establish a temporary subgroup on intelligence at the next Vietnam WSAG and direct the agencies to designate their members.

*John Holdridge* and T. C. Pinckney concur with the thrust of this paper although they believe establishment of an NSC mechanism may be unnecessary and we should simply keep throwing these questions back at the intelligence agencies until we are satisfied with their answers. They recommend that we request a SNIE on the questions which would be a joint product of the community.

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Sensitive

Attached is the memorandum requested at the Friday, 30 June WSAG meeting assessing the effect on the North Vietnamese economy of a reduction of imports from 6,800 tons per day (the 1971 level) to 2,700 tons per day. Copies of this memorandum are being sent to all the WSAG principals.

*Vernon A. Walters*

Vernon A. Walters

7 July 1972  
(DATE)

Attachment

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# Intelligence Memorandum

*The Effect on the North Vietnamese Economy  
of a Reduction of Imports to 2,700 Tons Per Day*

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6 July 1972

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VOLUME 5  
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Assessment of the Campaign  
Against  
North Vietnam's Capability to Wage War



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[TS-HK 10546]

THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

15 JUL 1972

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: Assessment of the Air and Naval Campaign Against North Vietnam

On 3 July 1972, I provided you with an assessment, by priority target categories, of the cumulative impact of our air and naval campaign against North Vietnam. This memorandum is an update of that assessment, and it addresses the period 26 June - 7 July as well as the cumulative effects of our campaign to date. To the extent possible, this report contains more quantitative evaluation of campaign results.

AIR AND NAVAL EFFORT TO DATE

Reflected below is the weight of effort expended by air and naval gunfire against the seven target categories in North Vietnam outlined herein. The figures represent total attacks against target elements in each category rather than sorties flown or gunfire missions conducted. For example, a single armed reconnaissance sortie in the Panhandle may include attacks against targets in more than one category.

Except for the POL and electric power breakouts, the categories listed are an aggregate of various target systems. "Coastal Interdiction" includes mineable areas for seeding of mines and destructors. "LOC" includes railroad/highway/waterway interdiction points; waterway transshipment points; docks; means of transportation; and construction vehicles. "Other" includes industrial plants; railroad and vehicle repair shops; shipyards; military supplies, ammunition and vehicles; construction materials and equipment; military installations; communications facilities; artillery; air defenses; radar sites; aircraft; and troops.

	9 May-25 Jun		25 Jun-6 Jul		Total (9 May-6 Jul)*	
	Air	NGFS	Air	NGFS	Air	NGFS
Coastal Interdiction:	353	215	150	35	503	250
Northeast LOC:	976	57	87	-	1,063	57
Northwest LOC:	124	-	-	-	124	-
Panhandle LOC:	6,651	200	920	23	7,571	223
POL:	1,031	40	245	-	1,276	40
Power:	78	-	4	-	82	-
Other:	5,408	324	901	81	6,309	405
	14,621	836	2,307	139	16,928	975

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9 May-25 Jun		25 Jun-6 Jul		Total (9 May-6 Jul)*	
Air	NGFS	Air	NGFS	Air	NGFS

Percentage of Total  
Southeast Asia Air  
Attack Effort Flown  
Against NVN

30.5%\*\*      33.1%      31%

\* In addition, 3,500 strikes were conducted against various target systems during the period 30 March - 9 May.

\*\* This is a corrected figure. The percentage supplied in the previous assessment was based on incomplete data.

### ASSESSMENT OF RESULTS

Hanoi's manpower and material resources have been heavily taxed as a result of our campaign, and the population's morale has been strained by the disruptions inflicted on the internal supply and distribution system and other targets. The following quantitative and narrative assessments highlight recent and cumulative results of our air and naval efforts.

#### Quantitative Results

		Start of Campaign	As of 7 July	Percent Reduction
<u>POL</u>	Storage Capacity: (Metric Tons)	162,000 MT	131,000 MT	20%
	Stocks on Hand:	103,000 MT	40,000 MT	61%
<u>Electric Power</u>	Capacity: (Kilowatt Hours)	230,000 Kw	72,000 Kw	70%
<u>Northeast LOC</u>	Capacity: (Short Tons per day)			
	<u>Rail:</u>	6,400 STPD	2,100 STPD	66%
	<u>Highways:</u>	4,000 STPD	4,000 STPD	0% $\frac{1}{3}$
	<u>Waterways:</u>	4,100 STPD $\frac{2}{3}$	4,100 STPD $\frac{2}{3}$	0% $\frac{3}{3}$
<u>Northwest LOC</u>	Capacity:			
	<u>Rail:</u>	1,000 STPD	600 STPD	40%
	<u>Highways:</u>	1,300 STPD	1,300 STPD	0% $\frac{1}{3}$
	<u>Waterways:</u>	1,000 STPD	1,000 STPD	0% $\frac{3}{3}$

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	Start of Campaign	As of 7 July	Percent Reduction
<u>Panhandle LOC</u>			
Capacity:			
Rail:	3,600 STPD	Negligible Change	Negligible
Highways: (Hanoi to Vinh):	2,300 STPD	2,300 STPD	0% $\frac{1}{1}$
(Vinh to DMZ):	1,200 STPD	1,200 STPD	0% $\frac{1}{1}$
Waterways:	250 STPD	175 STPD	30% $\frac{4}{4}$

Import and CoastalMovementTonnages:

Haiphong:	6,500 STPD	None	100%
Hon Gai: $\frac{5}{2}$ Less than 100 STPD		None	100%
Cam Pha: $\frac{5}{2}$ Less than 300 STPD		None	100%
Panhandle:	800 STPD	Negligible Change	Negligible

LOC TargetsStruck:

Rail Bridges:	125
Rail Yards:	10
Rail Sidings:	33
Highway Bridges:	270
Truck Parks:	19
Waterway Locks:	2
Transshipment Points:	29

	As of 30 March	Losses to 7 July	Imports to 7 July	Inventory as of 7 July	Percent Change
Locomotives:	115- 130		$\frac{56}{5-7}$	115- 130	0% Reduction
Rolling Stock:	2,000- 2,300		$\frac{3206}{2007}$	1,900- 2,200	4-5% Reduction
Trucks:	17,000-21,000	300- 500	$\frac{8}{1,500}$	18,000-22,000	5-6% Increase
Waterborne Logistic Craft:	33,000-38,000	1,000-1,100	None	32,000-37,000	3% Reduction

1/ Although rated capacities shown as not affected, disruptions require circumvention and slow down truck movement.

2/ From about 60 miles below PRC border.

3/ Waterway capacity not affected because the enemy has not been sufficiently constrained by watercraft losses or limitations on operating time.

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- 4/ Based on reduction from 20 to 14 hours operating time per day.
- 5/ Primarily used for exporting coal.
- 6/ Photo based estimate.
- 7/ Inferred from comparative photo analysis.
- 8/ Evaluated losses arrived at by applying 40-60% reduction factor to pilot reports.

#### COASTAL INTERDICTION - 26 JUNE TO 7 JULY

There have been no new developments in the status of major ports. No ships have attempted to enter or leave the ports, and no attempts to sweep the mines have been noted. No coastal traffic has been detected. The North Vietnamese, however, appear to be making a determined effort to offload cargo from the Chinese ships anchored off North Vietnam's Panhandle coast. On 28 June, at Hon La Anchorage, numerous small fishing craft began assembling alongside the one Chinese ship there. Nightly attempts have been made to land cargo on the beaches. Naval gunfire and air strikes have destroyed a majority of the craft employed, but small amounts of cargo probably have reached shore. On 7 July, some craft also were detected leaving one of the three Chinese ships at Hon Nieu Anchorage.

#### COASTAL INTERDICTION - BEGINNING OF CAMPAIGN TO 7 JULY

Since the mining of the approaches to the ports of Haiphong, Hon Gai, and Cam Pha early in May, North Vietnam's seaborne trade has been effectively denied. Prior to the mining, merchant ships delivered around 90 percent of North Vietnam's imports, primarily through Haiphong. Some ships bound for North Vietnam have been diverted to Chinese ports. The only known shipments are those small amounts which have been lightered ashore from Chinese ships at the anchorage off Hon Nieu and Hon La in the Panhandle. Mining operations, naval gunfire and air strikes have seriously curtailed the use of numerous small river ports and transshipment points. Coastal traffic, which provided the primary means of distributing supplies to the southern Panhandle, has been halted. The campaign has forced the North Vietnamese to shift to overland routes from the Peoples Republic of China (PRC) for the import of essential supplies and to internal land and water LOCs for their distribution.

#### NORTHEAST LOC - 26 JUNE TO 7 JULY

The enemy's capability to move supplies in the Northeast LOC increased due to an improvement in the status of the rail line. Through traffic.

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PANHANDLE LOC - 26 JUNE TO 7 JULY

There has been no significant change in the status of the rail system south from Hanoi. The system continues to be almost completely denied by rail cuts and destroyed bridges. Intensified air strikes have impeded truck and watercraft movement, and forced the enemy to move most supplies during the hours of darkness. Medium to heavy truck traffic along highway routes south of Vinh and in the lower Panhandle has been reported by pilots. This activity is probably associated with a general transportation offensive mounted by the enemy in northern Quang Tri Province beginning 20 June.

PANHANDLE LOC - BEGINNING OF CAMPAIGN TO 7 JULY

Highways, now the primary mode of transportation in the Panhandle LOC, continue to carry most of the supplies moving southward to the DMZ, although inland waterways are carrying the bulk of the traffic moving south between Hanoi and Thanh Hoa. Traffic, although disrupted and delayed by strikes against trucks, highway bridges and vulnerable points, is exploiting alternate roads, bypasses and ferries. Strikes against watercraft and transshipment points along the inland waterways in the area south of Nam Dinh have resulted in the reported destruction of about 1,100 barges, waterborne logistics craft and assorted rivercraft to date and has forced the enemy to limit his activity to hours of darkness. The net result of this effort against all LOCs in the Panhandle has been a substantial reduction in the enemy's capability to move supplies into and through southern North Vietnam.

POL SYSTEM - 26 JUNE TO 7 JULY

Five major depots, having a combined capacity of over 10,000 metric tons, were attacked. Post-strike photography is not available, but significant damage to four of these installations would reduce the operational effectiveness of the pipeline system. The new POL pipeline to the PRC border has not yet been confirmed as operational. It is technically feasible, however, for the pipeline to have come into operation and begun to meet the country's critical needs.

POL SYSTEM - BEGINNING OF CAMPAIGN TO 7 JULY

The POL system supports military requirements, transportation and the civilian economy. Diesel generators are also dependent on POL; they supply standby power for essential activities such as radar and SAM sites, command and control facilities, and agricultural pumping and flood control. The cumulative effects of the campaign through 7 July reduced POL capacity from 160,000 metric tons to about 130,000 metric tons. POL stocks have been reduced from 103,000 metric tons\* to some 40,000 metric tons, a 7-week supply.

\* Includes some 11,000 metric tons on tankers trapped in Haiphong at the start of the campaign.

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~~TOP SECRET-SENSITIVE~~ELECTRIC POWER SYSTEM - 26 JUNE TO 7 JULY

One local power plant was struck for the first time, but not damaged, and a major power plant was restructured three times. The primary objective of neutralizing the national transmission network, however, was accomplished by 25 June. All power plants serving the network remain out of operation. Only two major local power plants, one in Hanoi and one in Haiphong, are functioning.

ELECTRIC POWER SYSTEM - BEGINNING OF CAMPAIGN TO 7 JULY

Restoration and expansion of the electric power system had been one of North Vietnam's highest priorities prior to the campaign. Aside from meeting industrial and military needs, electricity is particularly vital to agriculture in running pumps for irrigation and drainage purposes. The major power plants at Lang Chi and Uong Bi, which accounted for over 40 percent of the total national capacity, will require an extended period for repair. Some of the other plants could be restored to at least partial operation within periods of time varying from several weeks to several months. Hanoi, however, is not likely to attempt to restore all of its major electric power facilities until the attacks are stopped. The enemy must now rely on small local plants and diesel generators to augment the reduced output from the larger power plants.

INDUSTRY/TRANSPORT EQUIPMENT AND REPAIR - 26 JUNE TO 7 JULY

Air strikes were directed against several industrial plants and transport equipment repair facilities, including one major facility in the Hanoi area. Storage areas and numerous dispersed storage sites along lines of communications, especially in the Panhandle, were subjected to air strikes and naval gunfire.

INDUSTRY/TRANSPORT EQUIPMENT AND REPAIR - BEGINNING OF CAMPAIGN TO 7 JULY

Since 9 May, most of North Vietnam's industrial plants have ceased to operate or are operating at reduced levels. Important facilities engaged in barge construction and ship repair, coal processing and construction materials production, as well as sugar, paper, and textile mills have been struck. The cumulative impact of strikes on industrial plants has been reinforced by the degradation of the electric power supply, shortages of raw material imports, and departures of foreign technical experts. Transport equipment repair facilities, however, continue to function at a few major sites and at numerous dispersed sites. Movement of supplies from major storage areas in the Hanoi-Haiphong complex has been slowed, and there have been indications of increasing use of open storage areas. In the panhandle, naval gunfire has been forcing the relocation of storage areas inland to small dispersed sites.

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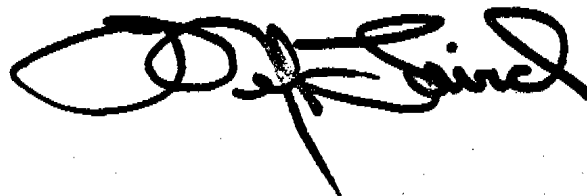
# FOOD

Closure of North Vietnam's major ports and thwarting of attempts to offload significant amounts of cargo from ships in anchorages off the Panhandle have forced Hanoi to import food by land routes from the PRC. The June rice crop has been harvested, and is expected to provide adequate supplies for the population until the major October harvest. The regime has encouraged the population to plant subsidiary crops to supplement the rice supply. The effort will impose additional pressure on the available manpower.

# EFFECTS ON ENEMY OPERATIONS IN SVN

Reports indicate that the movement of supplies into South Vietnam is continuing but that disruptions inflicted by air and naval strikes are creating logistics problems. Certain combat units have reported serious ammunition supply problems, and enemy concern regarding ability to meet future distribution requirements has become evident. Hanoi is making efforts to cope with the situation by strengthening and expanding its rear service apparatus in the North Vietnamese Panhandle and MR 1. Recent reports indicate that a number of new storage facilities have been set up in the lower Panhandle to receive and forward supplies southward.

NVA forces in South Vietnam were in good logistics posture at the beginning of this year's offensive. Although we do not know the precise quantities of stocks currently on hand in southern North Vietnam or in South Vietnam, it is believed that there are substantial stocks remaining even after the drawdowns caused by operational requirements and the losses from our campaign. Thus, the supplies provided from Laos and North Vietnam during the intense logistics push of the past dry season have sustained the enemy's logistics posture so that he retains the capability to undertake periodic major offensive operations for at least the next several months.



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